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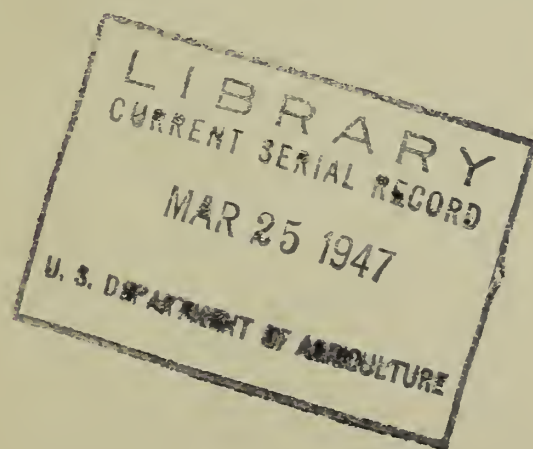
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# *Merchandising Program of Cooperatives SELLING MAINE POTATOES in Three Markets 1944-45 and 1945-46*

BY GEORGE H. GOLDSBOROUGH  
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## SUMMARY AND CONCLUSIONS

The merchandising program was effective in each of the three selected markets. Dealer service, advertising, and the improved grading standards used were all factors in these results. The results were much more pronounced the first year than the second in the market in which the program ran for 2 years. Other Maine shippers followed suit in these markets with similar increases in sales of consumer packages. The expanded volume of the Maine Potato Growers, Inc. in these markets was largely captured from the other Maine shippers.

It is doubtful whether a continuous program in a particular market, as intensive as the one conducted the first year, can be justified. The advertising material used both newspaper and radio, was attractive and well presented. It might, however, have been focused more directly on the individual markets and the trade handling Blue Goose potatoes in these markets.

For considerations, other than size, the superiority of the program grade over the regular Blue Goose stock was secured by bin selection. The sales advantage of the lower average count per pack of the program stock was partially offset by the wide range in the count between individual pecks.

MERCHANDISING PROGRAM OF COOPERATIVES  
SELLING MAINE POTATOES IN THREE MARKETS,  
1944-45 and 1945-46

By

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The Maine Potato Growers, Inc., the American Fruit Growers, Inc., and the American National Cooperative Exchange, conducted a merchandising program of branded pecks of potatoes during the 1944-45 and 1945-46 marketing seasons. The program was designed to stimulate consumer preference for a specific brand, increase sales, develop a stable group of customers, and thus promote regular demand rather than sale-by-sale bargaining. The potatoes were packed by Maine Potato Growers under the Blue Goose brand specifications and were sold through the terminal sale facilities of the American National Cooperative Exchange. At the request of the participating agencies, members of the staff of the Cooperative Research and Service Division of the Farm Credit Administration undertook to evaluate the results obtained and to appraise the effectiveness of the program.

The program was conducted in the following towns and cities in the three market areas: Worcester, Fitchburg, Framingham, Gardner, Hopedale, Watuppa, and Webster in Worcester County, Mass.; Springfield and Holyoke, Mass. in the Springfield area; and Albany, West Albany, Menands, Kingston, Middletown, Schenectady, Troy, Amsterdam, and Gloversville, N. Y., and Pittsfield and North Adams, Mass., in the Albany market district.

This survey, however, was made in the principal centers only. These include Albany, West Albany, and Menands in the Albany district; Worcester in the Worcester County area, and Springfield and Holyoke in the Springfield market area. According to the 1940 census, there were 130,000 persons in Albany, West Albany, and Menands combined and about 200,000 persons in Worcester and in Springfield and Holyoke combined.

#### PROCEDURE OF STUDY

Carlot unloads of potatoes in these markets were taken for the two program years and the preceding nonprogram year, 1943-44. This was done in order to measure the effect of the program on the shipments into these markets with respect to the kind of package used and on the relative volume of Maine Potato Growers, Inc., and other Maine shippers. Thus it was necessary to study the carlot records of the railroads serving the markets. Cooperating railroads were: Boston & Maine; Boston & Albany; New York Central; Delaware & Hudson; and New York, New Haven & Hartford.



Brokers, wholesalers, and retailers were interviewed. These interviews revealed the effect of the program on sales and operations and their opinions with respect to the quality of the program pack compared with other brands which they handled. In addition, a brief consumer survey was made by the dealer service men. Customers buying Blue Goose pecks were questioned in an effort to ascertain just what features of the program activities governed their choice of brand.

The Maine Potato Shippers and Growers' Committee provided figures on the total volume of potatoes shipped from Maine by type of package. This information, available for the past two seasons only, was useful in comparing the packaging and volume trend of the industry as a whole with that of Maine Potato Growers, Inc. The term "consumer package" as used in this report includes the 10- and 15-pound bags. The term "bulk" includes 50- and 100-pound bags, export crates, and barrels.

Maine Potato Growers, Inc., normally markets under the Blue Goose brand, regular U. S. No. 1, 2-inch minimum potatoes, with not more than 4 percent of grade defects.

However, more rigid grading standards were developed for the potatoes sold in the selected markets. A random sample of 100 Federal-State inspection certificates was drawn from both the files of the program inspections and from those of the regular Blue Goose. These were analyzed to determine the basic difference between the regular grade and the program grade. Samples were selected from the certificates of each month of the season. For uniform comparison only the Katahdin variety was used. These certificates were secured from the files of the Maine Potato Growers, Inc. The inspection reports on regular stock do not include a count of the potatoes. Therefore, counts were made of 15 one-peck samples from each of four cars in the Boston market. These cars were sampled in early April and thus may not be representative of the whole season.



### MERCHANDISING PROGRAM 1/

The merchandising activities involved carefully coordinated dealer service and advertising by the American Fruit Growers; assurance to the trade by Maine Potato Growers, Inc., of a consistent volume of carefully graded U. S. No. 1, 2-inch minimum potatoes in branded pecks of low uniform count; and the assistance of sales representatives of the American National Cooperative Exchange in developing trade cooperation. These services were to aid the wholesalers and retailers in selling program potatoes.

The program was initiated in Worcester County, Mass., during the 1944-45 season. It was expanded to include the Springfield, Mass., and Albany, N. Y., market areas in 1945-46. These markets were chosen because their relative isolation from other metropolitan markets lessened the possibility of any cross hauling of nonprogram Blue Goose potatoes into the program markets.

The American Fruit Growers, Inc., is a grower-shipper member of the American National Cooperative Exchange. Their advertising department handled the promotion part of the program and joined with the Maine Potato Growers, Inc. in bearing the advertising and dealer service expenses. A premium for these potatoes was charged by Maine Potato Growers, Inc., to help defray promotion expenses and additional grading costs necessary to obtain the program grade.

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1/ There is also a Maine Potato Marketing Program being conducted by the State of Maine through the Maine Development Commission. This program, however, is an over-all Maine potato program as compared with the special brand promotion program discussed in this report. The State's Maine potato marketing program was created in 1937 by the enactment of the Potato Tax Law which provides for a levy of 1 cent per barrel on potatoes raised in Maine, except those retained by the grower for seed purposes and home consumption. The money accruing from this tax is used to "foster and promote better methods of production, merchandising, and advertising of the said potato industry of this State."

The program encompasses the handling of the potatoes from planting through to the consumer. A considerable sum is spent on research as well as on merchandising. The merchandising work includes advertising, dealer service, standardization, the development of suitable consumer packages, organized trade work and the policing of market abuses. Research activities cover investigations of plant diseases, storage methods, and plastics and byproducts research.

A "Five Star" branding system was inaugurated at the beginning of the 1946-47 season. The program is optional among potato shippers. Under the "Five Star" branding system one star represents "Thrif-Pak", 2" to 2 $\frac{1}{4}$ "; two stars U. S. No. 1, Size A, 2" minimum; three stars, 2 $\frac{1}{4}$ " to 4"; four stars, "Chef's Special", U. S. Extra No. 1, 3 $\frac{1}{4}$ " to 4"; and five stars, "Super Spuds", U. S. Extra No. 1, 2 $\frac{1}{2}$ " to 3 $\frac{1}{4}$ ". The Star Brand will be used in addition to the shipper's brand and the red, white and blue State-of-Maine trademark. It is felt that this method of identifying grades will provide a simplified yardstick for the trade and for consumers in choosing the qualities and sizes they desire.



## Advertising

A well-rounded advertising program aided retailers in pushing Blue Goose potatoes. The use of individual agency newspaper advertisements, radio spots, and cooperative produce advertisements created consumer recognition of the brand. Advertisements were carried weekly by local newspapers just prior to the principal shopping day. Spot radio announcements were made several days each week describing the well-standardized product. In some instances, a close working arrangement with retailers resulted in cooperative consumer advertising in retail produce ads and in shopping news.

In general, the content of the radio scripts and the newspaper advertisements was considered excellent by persons who develop information programs in the U. S. Department of Agriculture. It was suggested, however, that in the development of individual markets a closer tie-in with retailers handling program potatoes would strengthen the advertising. This tie-in would be effected if the news ads and radio scripts suggested that consumers would find Blue Goose potatoes in the type of stores which handled them as, for example, the independent grocer. In addition, it might be well to name a few of these grocers each week. This would probably be of considerable value in obtaining the cooperation of the retailers concerned in mentioning the program brand in their produce advertisements and in personally promoting sales.

## Dealer Service

It was thought by the cooperating agencies unlikely that consumer preference for potatoes could be developed to the point where a consumer would visit a less convenient store to purchase a particular brand. Therefore, advertising was supplemented by intensive dealer service work aimed at getting Blue Goose potatoes into as many independent stores as possible. Dealer-service men were active in giving point-of-sale merchandising assistance and advice and in providing grocers with advertising material. Most of their time was spent with the retailers showing them better methods of handling produce and ways to increase sales volume, decrease losses, and install attractive displays. The dealer-service men made every effort to see that program potatoes were prominently located in the stores. Windows were used whenever possible. Mass displays of posters and produce were arranged for "eye appeal." Retailers were also brought up to date on varieties, grades, sizes and other important features. A quality guarantee on the part of the shipper permitted the retailer to adjust consumer complaints by replacing defective packages or refunding the money. Material mailed to the trade supplemented this personal service.

After getting the program rolling in a store, repeat calls were made about twice a month to keep up the interest in the Blue Goose potato department and to replace worn advertising material.

Dealer-service men were also active in conducting educational and service work with the jobbers and retailers handling the program product. They were assisted in this by terminal sales representatives of the American National Cooperative Exchange.

### Standardization

A product must be well standardized to lend itself to successful promotion. Where this is not the case, it is practically impossible to secure intelligent and complete cooperation of the trade and to create consumer confidence. Accordingly more rigid grade specifications were developed for the peck sold in the selected markets. Both the regular and the program Blue Goose were U. S. No. 1 2-inch minimum with not more than 4 percent of grade defects. They differed in that program potatoes were graded from more carefully selected bins with respect to defects, cleanness, maturity, and size, and the average program peck count was lower than the average regular peck count. The lower peck count of the program potatoes was achieved by grading out the smaller potatoes. The following wire sent to potato inspectors on October 30, 1945, defines the program count specifications. "The Maine Potato Growers are starting a program known as the Worcester Program. All this stock will be packed in Blue Goose 15# net and the count will range from forty to fifty potatoes per sack. In any car if more than one tenth of samples range over the fifty count or below thirty-five count you are to call Presque Isle 5611---This will give Maine Potato Growers a chance to place the car elsewhere---".

A comparison of inspection certificates of 100 cars of Blue Goose potatoes used in the program and 100 cars of regular Blue Goose potatoes shipped during the 1945-46 season shows that program potatoes were generally superior to the regular potatoes. They were cleaner, more mature, and had fewer defects and less soft rot. The average peck count of the program samples was 43 and that of the regular samples was 51.

Taking the samples individually, however, revealed that there was almost as much count inconsistency between program samples as between regular samples. The upper and lower extremes were, of course, not as high. In the light of this fact, the warehousing department is endeavoring to further adjust grading methods to more nearly comply to consumer demand for consistent size, quality and weight of package.



## EFFECT OF PROGRAM ON SHIPMENTS INTO THE SELECTED MARKETS

### Shipments From M.P.G. Compared With Others From Maine

Maine Potato Growers, Inc., accounted for approximately 20 percent of the potatoes shipped from Maine during the three seasons, 1943-44 through 1945-46 (table 1).

A marked change occurred in the association's method of packaging potatoes in 1945-46 over the two previous seasons (table 2). More than twice the percentage of consumer packages was shipped in 1945-46, compared with 1943-44 and 1944-45. The apparent lag of the association in the shift to consumer packages as compared with other Maine shippers, is due, in part, to its heavy shipments for military use, in 100-pound bags. With this influence removed in 1945-46 Maine Potato Growers, Inc., still shipped comparatively more of its potatoes in bulk and less in consumer packages than the industry as a whole.

### Carlot Unloads in the Three Selected Markets

Shipments into the three selected markets by sources are compared for the last three seasons in table 3. These data indicate that a substantial majority of the railroad shipments into these markets originate in Maine during years of normal production. They also show that the promotion program has had a definite effect in improving the position of Maine Potato Growers, Inc., in those markets. As shipments from sources outside Maine were about the same proportionally in 1945-46 as in 1943-44, it is evident that the increased volume of Maine Potato Growers, Inc., has been captured from other Maine shippers.

The greatest gains were made the first year. Maine Potato Growers, with the promotional work and with assurance to the trade of consistent quality and volume, increased its proportion of total shipments into Worcester from 4 percent in 1943-44 to 16 percent in 1944-45. During 1945-46, the second program year, Maine Potato Growers failed to increase its shipments over the first year. Two factors probably contributed to the lack of increase in 1945-46. The first year of a promotion program secures the business which is the easiest to obtain -- the free business, or the group of customers who are interested only in securing and merchandising potatoes in the open market. The second year, however, finds the rest of the industry more alert with a more discerning or skeptical consumer to convince. Also, it encounters the joint-account, and other vested interests in particular accounts.

Table 1 - Comparison of total shipments by Maine Potato Growers, Inc., with all other Maine shipments, 1943-44, 1944-45, 1945-46 1/

Item	Number of cars			Percent of total		
	1943-44	1944-45	1945-46 <u>2/</u>	1943-44	1944-45	1945-46
Maine Potato Growers	11,740	9,273	10,060	20.10	18.43	20.01
Other Maine	46,662	41,048	40,197	79.90	81.57	80.00
Total	58,402	50,321	50,257	100.00	100.00	100.00

1/ Files of the Maine Potato Growers, Inc., and annual reports of the Federal-State Market News Service.

2/ Includes the first week in June.

Albany showed little change in Maine Potato Growers' shipments as a percentage of total shipments during the 1943-44 and 1944-45 seasons. There was a drop in Springfield in 1944-45. During the past season, however, the program has materially increased the proportion of Blue Goose potatoes sold in both Albany and Springfield. An indication of the effectiveness of the program can thus be seen by comparing Maine Potato Growers sales in Worcester in 1944-45 with those of 1943-44 and the ones made in Albany and Springfield in 1945-46 with those made in 1944-45.

It is difficult to measure the effect of a program of this nature in inducing people to purchase more potatoes in lieu of other foods. Table 3 does not help a great deal in determining this but it does seem to indicate as one would expect, an inelastic demand for potatoes. Following the short-crop year, 1944, Maine shipments decreased. People used potatoes from other areas just as, when Blue Goose potatoes from Maine seemed especially desirable, consumers shifted from other Maine brands to Blue Goose.

The effect of the promotional work in boosting sales is more graphically illustrated in table 4, which shows the increase or decrease in carlot shipments, by sources, during 1944-45 and 1945-46 using the 1943-44 season as a base period. In using this table, however, it should be realized that the volume of 1943-44 shipments was very small in some instances, thus a slight increase would appear significant when calculated on a percentage basis.

The largest percentage of increase in sales by Maine Potato Growers, Inc., from a nonprogram to a program year, was in Albany while the smallest was in Springfield. The cooperative showed a large increase in Worcester the first year but no significant increase during the second program year. The increase in Maine Potato Growers, Inc., shipments to all program markets in 1945-46 averaged 183 percent of the 1943-44 unloads. At the same time the total unloads of Maine potatoes increased 15 percent. Therefore, since Maine Potato Growers, Inc., shipped about the same proportion of the Maine crop in each of the years studied (table 1), it may be assumed that the association would have shipped about the same proportion of all Maine in 1945-46 into these markets without the program as it did in 1943-44. Accordingly the actual increase attributable to the Worcester



Table 2 - Carlot shipments of table stock by Maine Potato Growers, Inc., and by all other Maine shippers, by type of package, 1943-44, 1944-45, 1945-46 seasons 1/

Type of package	1943-44				1944-45				1945-46 <u>2/</u>			
	Number of cars		Percent		Number of cars		Percent		Number of cars		Percent	
	M.P.G.	Other Maine	M.P.G.	Other Maine	M.P.G.	Other Maine	M.P.G.	Other Maine	M.P.G.	Other Maine	M.P.G.	Other Maine
10-lb.	54.00	<u>3/</u>	5.55	<u>3/</u>	43.20	919.09	.68	2.66	204.52	1,746.74	3.44	4.47
15-lb.	614.00		6.26		381.77	3,984.90	6.00	11.54	1,000.09	7,809.76	16.82	19.97
50-lb.	506.00		5.16		569.50	7,151.49	8.95	20.70	931.04	8,429.01	15.66	21.55
100-lb.	8,631.00		88.03		5,368.00	22,484.33	84.37	65.10	3,809.44	21,122.73	64.08	54.01
Total	9,805.00		100.00		6,362.47	34,539.81	100.00	100.00	5,945.09	39,108.24	100.00	100.00

1/ Shipments to Worcester during 1944-45 and shipments to Worcester, Springfield, and Albany during 1945-46 are excluded from this table. Taken from files of Maine Potato Growers, Inc., and Maine Potato Growers and Shippers Committee.

2/ September 1 to May 31.

3/ Data not available.



Table 3 - Carlot unloads of potatoes in three selected markets; 1943-44, 1944-45, 1945-46 marketing seasons (Sept. 1 to end of season) 1/ 2/

WORCESTER, MASS.

Shipper	Number of cars			Percent of total -- all types		
	1943-44	1944-45	1945-46	1943-44	1944-45	1945-46
Maine Potato Growers	18.00	72.37	74.06	4.23	16.25	16.06
Other Maine	383.47	287.35	358.00	90.13	64.55	77.65
Other States	24.00	85.50	29.00	5.64	19.20	6.29
Total	425.47	445.22	461.06	100.00	100.00	100.00

SPRINGFIELD, MASS.

Maine Potato Growers	76.00	49.00	129.59	21.33	11.40	32.30
Other Maine	242.36	256.00	232.57	68.01	59.53	57.98
Other States	38.00	125.00	39.00	10.66	29.07	9.72
Total	356.36	430.00	401.16	100.00	100.00	100.00

ALBANY, NEW YORK

Maine Potato Growers	34.00	47.00	158.76	6.19	7.87	25.94
Other Maine	316.50	264.53	281.69	68.62	44.31	46.04
Other States	118.00	285.50	171.50	25.19	47.82	28.02
Total	468.50	597.03	611.95	100.00	100.00	100.00

ALL MARKETS

Maine Potato Growers	128.00	168.37	362.41	10.24	11.43	24.58
Other Maine	942.33	807.88	872.26	75.36	54.88	59.17
Other States	180.00	496.00	239.50	14.40	33.69	16.25
Total	1,250.33	1,472.25	1,474.17	100.00	100.00	100.00

1/ Files of Maine Potato Growers and railroads serving these markets.

2/ 1943-44 (Sept. 1-May 31)  
 1944-45 (Sept. 1-May 31)  
 1945-46 (Sept. 1-April 30)

Table 4 - Percentage of change in volume of carlot receipts of potatoes in three selected markets, by sources, 1944-45 and 1945-46 marketing seasons, using 1943-44 as the base period 1/ 2/

WORCESTER, MASS.

Source	Number of cars			Percent increase or decrease from 1943-44	
	Total	Increase or decrease from 1943-44		1944-45	1945-46
		1943-44	1944-45		
M. P. G.	18.00	+ 54.37	+ 56.06	+ 302.05	+ 311.44
All Maine	401.47	- 41.75	+ 30.59	- 10.00	+ 7.58
Other States	24.00	+ 61.50	+ 5.00	+ 256.25	+ 20.83
Total	425.47	+ 19.75	+ 35.44	+ 4.64	+ 8.33

SPRINGFIELD, MASS.

M. P. G.	76.00	- 27.00	+ 53.59	- 35.52	+ 70.51
All Maine	318.36	- 13.36	+ 43.80	- 4.20	+ 13.76
Other States	38.00	+ 87.00	+ 1.00	+ 229.00	+ 2.63
Total	356.36	+ 73.64	+ 44.80	+ 20.66	+ 12.57

ALBANY, N. Y.

M. P. G.	34.00	+ 13.00	+ 124.76	+ 38.24	+ 366.94
All Maine	350.50	- 38.97	+ 89.95	- 11.17	+ 25.66
Other States	118.00	+ 167.50	+ 53.50	+ 141.95	+ 45.34
Total	468.50	+ 128.53	+ 143.45	+ 27.43	+ 30.62

ALL MARKETS

M. P. G.	128.00	+ 51.37	+ 234.41	+ 40.13	+ 183.13
All Maine	1,070.33	- 94.08	+ 164.34	- 8.79	+ 15.34
Other States	180.00	+ 316.00	+ 59.50	+ 175.56	+ 33.06
Total	1,250.33	+ 221.92	+ 223.69	+ 17.75	+ 17.89

1/ Files of Maine Potato Growers and railroads serving these markets.

2/ 1943-44 (Sept. 1-May 31)  
 1944-45 (Sept. 1-May 31)  
 1945-46 (Sept. 1-April 30)



Program is 183 less 15 (increase of all Maine) or 168 percent. This disregards the possible effect of the program in increasing the consumption of all Maine potatoes. If the program did have a positive effect on the sale of other Maine brands as well as Blue Goose, the correct percentage increase of program sales lies somewhere between 183 and 168. Other States, however, showed a larger increase than did all Maine (table 4). Therefore, it is probably correct to assume that the percentage increase is nearer the latter figure.

#### Unloads by Type of Package

The carlot unloads of potatoes by types of package in the markets surveyed are shown in table 5. It is evident that the program has caused a definite shift in sales from bulk to consumer packages. The proportion marketed in these packages the years immediately preceding the initiation of the program was small in each market. However, there were significant shifts to consumer packages in Worcester in 1944-45 and in Albany and Springfield in 1945-46, or the years the programs began in these markets.

Much larger percentages of consumer packages were sold in Worcester and Springfield than in Albany. Considering all markets, more than one-third of the potatoes shipped by rail to all three centers was in these packages in 1945-46. Maine supplied practically all of them. Shipments from other areas were mostly in 100-lb. burlap bags. The early potato States, New York, and Canada, were the most important competitors of Maine in these markets. Most of the outside shipments arrive during the months of September and October and from April through the summer months. These are the months of light shipments from Maine.

Some program potatoes were shipped in 50 and 100 pound bags as well as 10 and 15 pound bags. Shipments of program potatoes during 1945-46, by type of package and by destination, are shown in table 6. There is wide variation in the types of packages shipped into the different markets. For instance, Worcester received mostly pecks, whereas Albany handled about as many 50-pound packages as pecks. The majority of 10-pound packages went to Boston, which is outside the program area. Very few 100-pound bags were used in the three markets except in Springfield. Some were used in other program markets outside these three centers.

Unloads in the three markets by Maine Potato Growers, Inc., and by other Maine shippers, by type of package, are shown in table 7. The table also re-emphasizes the sharp increases in sales of consumer packages by Maine Potato Growers the first year of the program in each market. Aside from the effect of the program on the types of packages shipped by Maine Potato Growers, Inc., there was evidently a tendency of other Maine shippers to meet the competition of the program with increased shipments of small packages. This was true especially in Worcester and in Springfield. As a result, almost half of the potatoes shipped into the three markets from Maine were in peck paper bags.



Table 5 - Carlot shipments of potatoes by type of package into three selected markets from Maine and from all other States 1943-44, 1944-45, 1945-46 seasons. 1/ 2/

WORCESTER, MASS.

Type of package and source	Number of cars			Percent of total -- all types		
	1943-44	1944-45	1945-46	1943-44	1944-45	1945-46
<u>Consumer</u>						
Maine	54.47	127.04	209.42	12.80	28.54	45.42
Other States	0.	0.	0.	0.	0.	0.
Total	54.47	127.04	209.42	12.80	28.54	45.42
<u>Bulk</u>						
Maine	347.00	232.68	222.64	81.56	52.26	48.29
Other States	24.00	85.50	29.00	5.64	19.20	6.29
Total	371.00	318.18	251.64	87.20	71.46	54.58
<u>All types</u>						
Maine	401.47	359.72	432.06	94.36	80.80	93.71
Other States	24.00	85.50	29.00	5.64	19.20	6.29
Total	425.47	445.22	461.06	100.00	100.00	100.00

SPRINGFIELD, MASS.

<u>Consumer</u>						
Maine	53.73	65.10	171.69	15.08	15.14	42.80
Other States	0.	0.	1.00	0.	0.	.25
Total	53.73	65.10	172.69	15.08	15.14	43.05
<u>Bulk</u>						
Maine	264.63	239.90	190.47	74.26	55.79	47.48
Other States	38.00	125.00	38.00	10.66	29.07	9.47
Total	302.63	364.90	228.47	84.92	84.86	56.95
<u>All types</u>						
Maine	318.36	305.00	362.16	89.34	70.93	90.28
Other States	38.00	125.00	39.00	10.66	29.07	9.72
Total	356.36	430.00	401.16	100.00	100.00	100.00

ALBANY, N. Y.

<u>Consumer</u>						
Maine	81.45	75.36	182.78	17.39	12.62	29.87
Other States	7.00	0.	1.00	1.49	0.	.16
Total	88.45	75.36	183.78	18.88	12.62	30.03
<u>Bulk</u>						
Maine	269.05	236.17	257.67	57.43	39.56	42.11
Other States	111.00	285.50	170.50	23.69	47.82	27.86
Total	380.05	521.67	428.17	81.12	87.38	69.97
<u>All types</u>						
Maine	350.50	311.53	440.45	74.81	52.18	71.98
Other States	118.00	285.50	171.50	25.19	47.82	28.02
Total	468.50	597.03	611.95	100.00	100.00	100.00

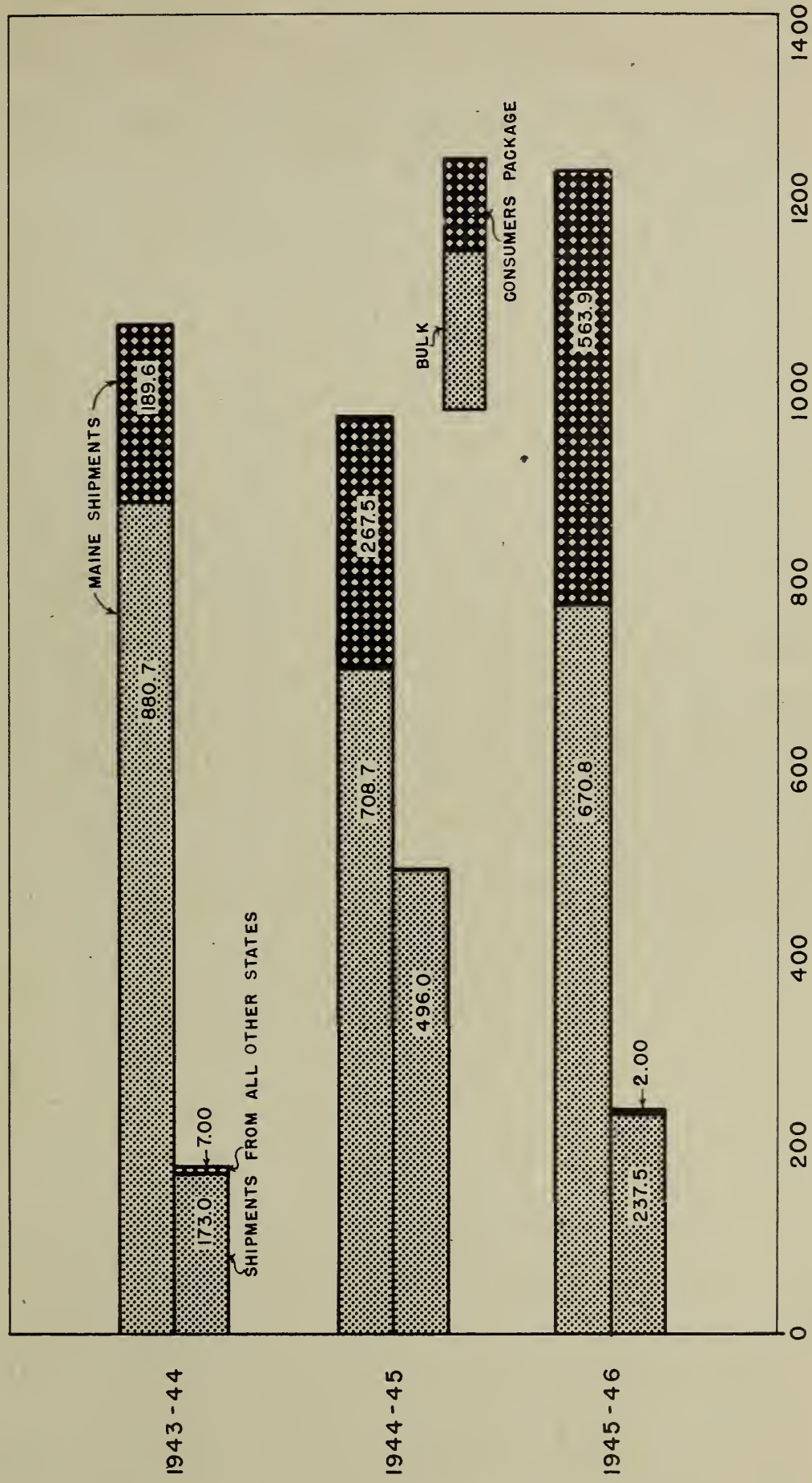
ALL MARKETS

<u>Consumer</u>						
Maine	189.65	267.50	563.89	15.17	18.17	38.25
Other States	7.00	0.	2.00	.56	0.	.13
Total	196.65	267.50	565.89	15.73	18.17	38.38
<u>Bulk</u>						
Maine	880.68	708.75	670.78	70.43	48.14	45.50
Other States	173.00	496.00	237.50	13.84	33.69	16.12
Total	1,053.68	1,204.75	908.28	84.27	81.83	61.62
<u>All types</u>						
Maine	1,070.33	976.25	1,234.67	85.60	66.31	83.75
Other States	180.00	496.00	239.50	14.40	33.69	16.25
Total	1,250.33	1,472.25	1,474.17	100.00	100.00	100.00

- 1/ Railroad files  
 2/ 1943-44 (Sept. 1-May 31)  
 1944-45 (Sept. 1-May 31)  
 1945-46 (Sept. 1-April 30)

FIGURE 1

CARLOT SHIPMENTS OF POTATOES BY TYPE OF PACKAGE, INTO THREE  
SELECTED MARKETS, FROM MAINE AND FROM ALL OTHER STATES  
DURING THE 1943-44, 1944-45, 1945-46 SEASONS\*



\* FROM RAILROAD FILES

NOTE: THE PROPORTION OF POTATOES SHIPPED IN CONSUMER PACKAGES INCREASED AS THE PROGRAM PROGRESSED. SHIPMENTS FROM STATES OTHER THAN MAINE WERE IN BULK AND CHANGED LITTLE IN VOLUME.



Table 7 - Carlot receipts of potatoes from Maine Potato Growers and from all other Maine shippers in three selected markets by type of package, 1943-44, 1944-45, 1945-46 marketing seasons 1/ 2/

WORCESTER, MASS.

Type of package and source	Number of cars			Percent of total--all types		
	1943-44	1944-45	1945-46	1943-44	1944-45	1945-46
<u>Consumer</u>						
M. P. G.	1.29	54.00	66.66	.32	23.39	18.74
Other Maine	53.18	37.58	105.19	13.25	16.28	29.59
Total	54.47	91.58	171.85	13.57	39.68	48.33
<u>Bulk</u>						
M. P. G.	16.71	10.34	4.36	4.16	4.48	1.23
Other Maine	330.29	128.89	179.36	82.27	55.84	50.44
Total	347.00	139.23	183.72	86.43	60.32	51.67
<u>All types</u>						
M. P. G.	18.00	64.34	71.02	4.48	27.88	19.97
Other Maine	383.47	166.47	284.55	95.52	72.12	80.03
Total	401.47	230.81	355.57	100.00	100.00	100.00

SPRINGFIELD, MASS.

<u>Consumer</u>						
M. P. G.	15.00	16.00	78.00	4.71	5.24	27.16
Other Maine	38.73	49.10	62.18	12.17	16.10	21.63
Total	53.73	65.10	140.18	16.88	21.34	48.79
<u>Bulk</u>						
M. P. G.	61.00	33.00	31.90	19.16	10.82	11.10
Other Maine	203.63	206.90	115.18	63.96	67.84	40.11
Total	264.63	239.90	147.08	83.12	78.66	51.21
<u>All types</u>						
M. P. G.	76.00	49.00	109.90	23.87	16.07	38.26
Other Maine	242.36	256.00	177.36	76.13	83.93	61.74
Total	318.36	305.00	287.26	100.00	100.00	100.00

ALBANY, NEW YORK

<u>Consumer</u>						
M. P. G.	10.55	10.85	71.54	3.01	3.48	20.40
Other Maine	70.90	64.51	72.11	20.23	20.71	20.57
Total	81.45	75.36	143.65	23.34	24.19	40.97
<u>Bulk</u>						
M. P. G.	23.45	40.15	66.22	6.69	12.89	18.89
Other Maine	245.60	196.02	140.79	70.07	62.92	40.14
Total	269.05	236.17	207.01	76.76	75.81	59.03
<u>All types</u>						
M. P. G.	34.00	51.00	137.76	9.70	16.37	39.29
Other Maine	316.50	260.53	212.90	90.30	83.63	60.71
Total	350.50	311.53	350.66	100.00	100.00	100.00

ALL MARKETS

<u>Consumer</u>						
M. P. G.	26.84	80.85	216.20	2.51	9.54	21.76
Other Maine	162.81	151.19	239.48	15.21	17.84	24.11
Total	189.65	232.04	455.68	17.72	27.38	45.87
<u>Bulk</u>						
M. P. G.	101.16	83.49	102.48	9.45	9.85	10.32
Other Maine	779.52	531.81	435.33	72.83	62.77	43.81
Total	880.68	615.30	537.81	83.28	72.62	54.13
<u>All types</u>						
M. P. G.	128.00	164.34	318.68	11.96	19.39	32.08
Other Maine	942.33	683.00	674.81	88.04	80.61	67.92
Total	1,070.33	847.34	993.49	100.00	100.00	100.00

1/ From Maine Potato Growers' and railroads' files.

2/ 1943-44 (Sept. 1-May 31 in all markets).

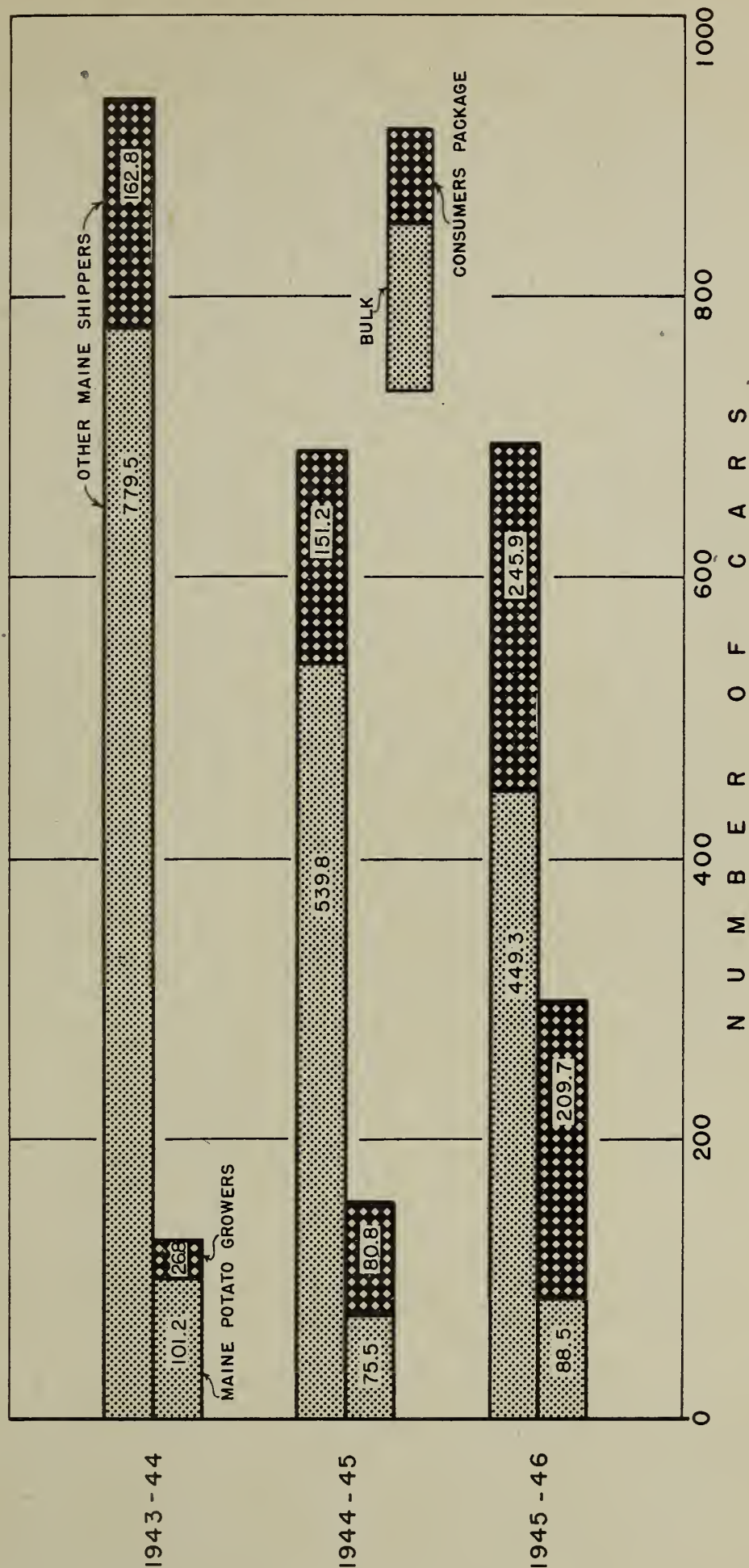
1944-45 (Sept. 1-May 31 in Albany and Springfield; Dec. 1-May 31 in Worcester).

1945-46 (Nov. 1 - April 30 in all markets).



FIGURE 2

CARLOT RECEIPTS OF MAINE POTATOES FROM MAINE POTATO GROWERS AND FROM ALL OTHER MAINE SHIPPERS IN THREE SELECTED MARKETS, BY TYPE OF PACKAGE, DURING THE 1943-44, 1944-45, 1945-46 SEASONS\* ♦



\* FROM FILES OF MAINE POTATO GROWERS AND RAILROADS SERVING THE MARKETS SURVEYED

♦ 1943-44 (SEPT. 1-MAY 31 IN ALL MARKETS)

1944-45 (SEPT. 1-MAY 31 IN SPRINGFIELD, MASS. AND ALBANY, N. Y. NOV. 1-MAY 31 IN WORCHESTER, MASS.)

1945-46 (NOV. 1-MAY 31 IN ALL MARKETS)

NOTE: THERE WAS AN INCREASE IN MAINE POTATO GROWERS SHIPMENTS WHILE THOSE OF "OTHER MAINE SHIPPERS" DECREASED.



Albany received a lower percentage of its potatoes in small packages than did Worcester and Springfield, due to the large volume of program potatoes shipped into Albany in 50-pound bags.

The proportion of total Maine shipments made by Maine Potato Growers, Inc., to all markets during the program months of the 1945-46 season jumped to 32 percent as compared with 12 percent during the 1943-44 season. Maine Potato Growers, Inc., had more than a third of the sales of Maine potatoes in Albany and Springfield during 1945-46, and about 20 percent in Worcester. Maine Potato Growers, Inc., sales in Worcester dropped from 28 percent to 20 percent of all Maine sales the second program year after a spectacular jump from 1943-44 to 1944-45. The reduced percentage of shipments the second program year probably stems from a general increase in the production of Maine potatoes over the previous short crop year and more alert competition from other Maine shippers. This may be significant in determining the extent to which consumer preference for branded potatoes can be established and maintained.

#### CONSUMER INTERVIEWS

During March, 1946, the dealer-service men questioned persons purchasing program potatoes as to their reason or reasons for selecting this brand. In view of the fact that the sample was small and the survey was made at irregular intervals over an extended period, the survey should be studied with the recognition that these conditions made it difficult to draw definite conclusions.

The majority of consumers making their first purchase indicated that they were influenced by the promotional activities. Items such as posters and displays resulting from the dealer service program were given as the reason for the first purchase in 41 of the cases, and advertising was listed in 36 instances. A sizeable number, 22, evidently purchased at random with no particular brand in mind. Combining the item "No others in store" with "No reason" shows 33 gave reasons for the first purchase based on complete indifference to or ignorance of the promotional work and the well standardized product in the Blue Goose bag. This indicates an opportunity for further work. As might be expected, the largest number of repeat purchases were attributable to "Quality". "Dealer Service" was next in importance and was given as the reason for 25 percent of the repeat purchases.

Consumers also were asked what feature or features of program potatoes made them preferable to other brands of potatoes. Four consumers commented on uniformity in size and seven felt the potatoes were generally cleaner. Eight consumers specified the relative lack of waste in preparing the potatoes and four indicated that they didn't break apart while being cooked.



Table 8 - Summary of reasons given dealer service men by 102 consumers for purchasing Blue Goose Worcester program potatoes in three markets, March 1946

	Advertising		Dealer service					Quality			Other						
	Radio	News-paper	Total	Post-ers	Dis-play	Grocer recom-menda-tion	No others in store	Total	Neigh-bor recom-menda-tions	Bought before	Liked appearance of potato	Total	Attrac-tive package	Reli-able brand	No rea-son	Total reasons	
Purchase																	
First purchase	20	16	36	7	13	10	11	41	9	0	1	10	5	4	22	31	1/ 114
Repeat purchase	2	2	4	3	9	0	2	14	0	34	0	34	0	1	1	2	1/ 54

1/ Some consumers gave more than one reason.

## WHOLESALE INTERVIEWS

All the wholesalers who handled program potatoes in these markets were interviewed. A number of them were both jobbers and service-wholesalers and some were service-wholesalers only. About 80 percent approved of the program. They stated that consumer demand resulting from the promotional work was prompting retailers to request Blue Goose. This enabled them to turn these potatoes more rapidly than other brands. It increased their volume without increasing inventory and decreased deterioration of the potatoes while in their possession. Although some objected to the premium charged by Maine Potato Growers, Inc., the consensus was that the product was worth the additional cost.

The rest of the wholesalers interviewed felt the product did not back up the advertising, but that they were forced to carry program potatoes because of the consumer preference created solely by advertising.

## RETAILER INTERVIEWS

The program potatoes in these markets were carried by independent retailers exclusively. The retailers were not as generally "sold" on the program product as were the wholesalers. They were about evenly divided with regard to their opinions of quality and price differences of Blue Goose as compared with other brands. Many felt that Maine potatoes were generally superior to potatoes from other States and that the majority of Maine shippers were doing an improved grading job. According to the retailers, some of the consumers didn't ask for a specific brand but specified Maine potatoes "in the small bag with the wire around the top." Due to increased difficulty in moving bulk potatoes, retailers were convinced that most consumers prefer pre-packaged potatoes regardless of the brand. This is in line with the consumer interviews summarized in table 8 which indicates that about one-third of the buyers had no specific reason for purchasing that particular brand. As evidence, however, that program potatoes were about the only ones commanding consumer preference the retailers stated that when a specific brand was requested it was almost always Blue Goose.

Wholesalers seemed to prefer to handle potatoes in bulk rather than in pecks, because less labor was involved. Retailers, however, were largely in favor of prepackaged potatoes. Prepackaged potatoes reduce their labor and package costs, enable them to determine mark-up with greater facility and accuracy, reduce losses due to "picking over" by consumers, improve their produce displays, and fit in with consumer demand and self-service retailing.



### COST OF THE PROMOTION PROGRAM

To justify its continuance, a merchandising program must show that it will ultimately pay for itself - that is axiomatic. This does not mean that a definite monetary benefit must be shown car by car as the program progresses. It means that the consumer preference and trade cooperation established by the program must eventually prove economically beneficial. Increased volume, less bargaining over sales, and premiums for superior potatoes will be reflected in higher unit returns. The increased sales and improved trade cooperation achieved in the program markets were gratifying to the associations concerned. The cooperating agencies felt, however, that they had not yet achieved the optimum balance between advertising, dealer service, and standardization for most efficient operation over a long period of time.

An analysis of the unit promotion costs revealed two probable avenues of approach in reducing unit expenses: (1) The warehousing department plans to improve and streamline program grading methods and to select the potatoes to be sold under the program with greater care. These measures should be effective in reducing the added labor costs and the shrinkage caused by the more rigid program-grade requirements. (2) It was pointed out earlier in this report that Blue Goose showed practically no increase in sales volume in Worcester the second program year. Therefore, it would appear that since trade cooperation is established and consumer recognition created to a measurable extent the first year, the expenditure of the same number of "ice breaking dollars" may not be necessary in succeeding years to hold present volume. It is, of course, essential to maintain and improve trade cooperation, standardization, and consumer preference; but the program can probably be reduced in intensity. Further merchandising experience will aid these cooperatives in finding the proper combination of advertising dealer service and standardization.





